

MEMORANDUM

Agenda Item No. 8(G)(1)


TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: February 5, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution approving the
budget for Fiscal Year 2012-13
for the Naranja Lakes
Community Redevelopment
Agency

The accompanying resolution was prepared by the Office of Management and Budget Department and placed on the agenda at the request of Prime Sponsor Internal Management and Fiscal Responsibility Committee.



R. A. Cuevas, Jr.
County Attorney

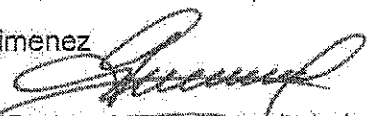
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Memorandum



Date: February 5, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: FY 2012-13 Budget for the Naranja Lakes Community Redevelopment Agency

Recommendation

It is recommended that the Board of County Commissioners (Board) consider the attached resolution approving the Naranja Lakes Community Redevelopment Agency's (Agency's) FY 2012-13 budget for the Naranja Lakes Community Redevelopment Area (Area). The Agency's budget includes revenues and expenditures in the amount of \$2,189,761.

The Board must approve the Agency's budget prior to the Agency expending any funding in the Trust Fund, as required by Section III D of the Interlocal Agreement.

Scope of Agenda Item

This resolution provides for the appropriation of tax increment financing (TIF) derived from the Area. The Area lies within Commission Districts 8 and 9.

Fiscal Impact / Funding Source

The Agency's revenue source is TIF, which is generated through the incremental growth of ad valorem revenues beyond an established base year, as defined in Section 163.387 of the Florida State Statutes. The Countywide TIF into the Agency's Trust Fund for FY 2012-13 is \$441,606 and the Unincorporated Municipal Service Area (UMSA) TIF payment into the Trust Fund is \$179,972.

The County will continue to make payments to the Agency, based on each year's growth of ad valorem revenues over the base year through 2033 when the Agency will sunset.

Track Record / Monitor

This resolution does not provide for contracting with any specific entity. The resolution approves the Agency's FY 2012-13 budget of \$2,189,761.

Background

On May 6, 2003, the Board approved the establishment of the Agency when it adopted the Agency's Redevelopment Plan (Plan) pursuant to Resolution R-418-03 and the funding of the Plan when it enacted Ordinance No. 03-106 (Trust Fund). An Interlocal Agreement between Miami-Dade County and the Agency was approved by the Board on July 22, 2003. The Interlocal Agreement requires the Agency to submit for County approval an annual budget for the implementation of the Plan.

It is recommended that the Board approve the Agency's FY 2012-13 budget of \$2,189,761, which was approved by the Agency on December 12, 2012. The budget includes revenue sources of Countywide and UMSA TIF payments (\$621,578), carryover from prior years (\$1,567,483), and interest earnings (\$700).

Administrative expenditures total \$48,500 and represent eight percent of TIF revenues, excluding the 1.5 percent County Administrative Charge (\$9,324), which satisfies the 20 percent cap on

administrative expenditures required by the Interlocal Agreement. Administrative expenses include direct County support (\$48,000), and printing and publishing (\$500).

Operating expenditures total \$875,200 and include:

- \$600,000 for projected debt service payments on the two existing Sunshine State loans;
- \$150,000 for Community Policing;
- \$68,000 for community building operations, maintenance and insurances;
- \$30,000 for legal services;
- \$25,000 for residential redevelopment grant;
- \$2,000 for marketing; and
- \$200 for state fees.

As part of the Agency's prior year budget, the Board authorized the Agency to obtain a \$7.5 million loan to pay the County for the outstanding balance on two State Sunshine Loans. The Agency issued a Request for Proposals (RFP) but there were no responses. The RFP only produced inquiries from prospective lenders. As a result, the County intends to refinance the remaining \$6.3 million debt as part of a larger financing. The \$600,000 budgeted in the current year budget is an estimate of the new financing payment, whereas the current financing debt payment is approximately \$1.2 million. The Sunshine State loans are due to mature in 2016; however, the new refinancing would extend the payment until approximately 2028 allowing the Agency to continue the programs that have a positive impact in the community.

The downturn in the economy has had a direct effect on the Agency and its revenue stream. During the last four years, the taxable value in the Area, like all other community redevelopment areas, has been reduced significantly. This reduction has negatively impact the amount of TIF revenues available to address slum and blight within the Area in accordance with Agency's mission. This year's budget reflects conservative expenditures of available TIF payments and sets aside reserve funds to address next fiscal year's debt service payment in the event the revenue stream continues the current trend. As such, the Agency budget includes a \$1,256,737 contingency reserve.

Attachments



Edward Marquez
Deputy Mayor

mayor01813



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: February 5, 2013

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(G)(1)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor

Agenda Item No. 8(G)(1)

Veto _____

2-5-13

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING THE BUDGET FOR FISCAL
YEAR 2012-13 FOR THE NARANJA LAKES COMMUNITY
REDEVELOPMENT AGENCY

WHEREAS, the Interlocal Cooperation Agreement between Miami-Dade County, Florida (the "County") and the Naranja Lakes Community Redevelopment Agency (the "Agency") requires that the Agency transmit its adopted annual budget to the Board of County Commissioners of Miami-Dade County, Florida (the "Board") for approval; and

WHEREAS, this Board desires to approve the Agency's adopted annual budget for Fiscal Year 2012-13 for the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, this Board desires to accomplish the purpose outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The matters contained in the foregoing recitals are incorporated in this Resolution by reference.

Section 2. This Board approves the Agency's annual adopted budget for Fiscal Year 2012-13 related to the Naranja Lakes Community Redevelopment Area in the form attached hereto as Exhibit A.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of February, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Estephanie S. Resnik



NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY

Proposed Budget for Fiscal Year 2012-2013

Introduction

The Naranja Lakes Community Redevelopment Agency (CRA) was created by the Board of County Commissioners (BCC) pursuant to Ordinance No. 02-216 enacted on October 22, 2002, creating the CRA, appointing its board members and delegating the power to the CRA to prepare a Redevelopment Plan (Plan), subject to BCC approval, to address slum and blight in the redevelopment area. FY 2011-12 was the CRA's tenth year of operation.

The boundaries of the CRA are located in the southern rural area of Miami-Dade County and are described generally as bounded by S.W. 288th Street on the south, S.W. 268th Street and 1st Road on North, S.W. 137th Avenue and Florida Turnpike on the east, and Old Dixie Highway on west, encompassing approximately 1,260 acres. The CRA lies within County Commission Districts 8 and 9. On May 6, 2003, the BCC adopted R-418-03 approving the Naranja Lakes CRA Plan. The Plan includes as its Primary Redevelopment Project (Project) the development of approximately 210 acres, known as the Mandarin Lakes development, that were devastated by Hurricane Andrew in 1992.

The Mandarin Lakes development is the County's first zoned Traditional Neighborhood Development (TND). The CRA, through two \$5 million Sunshine State Loans facilitated by the County, has funded certain infrastructure improvements, such as roadways, streetscape, landscape, recreational grounds with gazebos, and a Community Center. Phase I of the Project was completed in Fiscal Year 2011. Mandarin Lakes has spurred residential life and landscape beauty in an area that barely a decade ago was in ruins, reminisce of the most powerful hurricanes in recent history. The Mandarin Lakes project is critical to the creation of meaningful tax increment to address slum and blight in the entire redevelopment area.

Tax Base Growth and Proposed Budget

The goals of the CRA continue to be the expansion of the property values within the CR Area, to provide enhanced safety to the area residents, in the form of Community Policing, and to find opportunities to improve the physical quality of life for the businesses and residents of the Area in accordance with the Plan. Based on the preliminary tax roll received from the Property Appraisers for 2012 the value of the area is \$248,014,283, which represents a 9.1 percent drop from Fiscal Year 2011. As a result, the County and Unincorporated Municipal Services Area (UMSA) tax increment

revenues for fiscal year 2012-13 have decreased 15 percent and 17 percent respectively from the previous year revenues. Overall, the CRA's taxable values have increased approximately 89%, from \$131 million to \$248 million, since the CRA's inception in 2002.

Adopted Budget for 2012-13

On December 12, 2012, the CRA adopted the FY 2012-13 budget of \$2,189,761 based on projections of TIF revenues and cash balances at the end of FY 2011-12 (CRA Resolution No. 2012-01). The CRA requested County Staff forward the adopted budget to the BCC as required by the Interlocal Agreement between the CRA and the County.

Revenues include Countywide and Unincorporated Municipal Service Area (UMSA) TIF payments in the amount of \$441,606 and \$179,972 respectively, carryover funds totaling \$1,567,483, and projected interest earnings of \$700.

Administrative Expenses - \$57,824

1. Direct County Support (\$48,000)

This line item covers expenses incurred by the County's Office of Management and Budget relating to coordinating the day-to-day operations of the CRA, including preparing meeting agendas, overseeing the CRA's Trust Fund, processing invoices and coordinating with County Departments to implement the CRA's initiatives.

2. Printing and Publishing (\$500)

Set aside for any printing material the CRA requires for distribution to residents and / or business owners in the area.

3. County Administrative Charge (\$9,324)

The Interlocal Agreement between the CRA and the County requires the CRA to pay the County a 1.5 percent fee of County's tax increment contribution.

Note: Administrative expenditures, excluding the 1.5 percent County Administrative Charge total \$48,500 and represent 8 percent of the total tax increment revenues, which satisfies the 20 percent administrative cap required by the Interlocal Agreement.

Operating Expenses - \$875,200

1. Membership and State Fee (\$200)

All CRAs are required by the State of Florida to pay a Special District fee.

2. Insurance (\$18,000)

The CRA has a Community Center in Mandarin Lakes. Insurance payments include property, liability and special events insurances.

3. Marketing Contingency (\$2,000)

The CRA has partnered with Dr. William A. Chapin Elementary School to promote a school and community safety program – Youth Crime Watch. The Program produces a School Drug and Violence Prevention Summit. The CRA contribution assists with the cost of the operation set-up, materials, and flyers advertising the CRA sponsorship.

4. Community Policing and Security (\$150,000)

The CRA has a Memorandum of Understanding with the Miami-Dade Police Department (MDPD) to provide dedicated above and beyond daily roving patrols, weekly proactive enforcement sweeps/operations, community projects and community police interactions. The overall goal of the project is to reduce crime through added proactive enforcement and high visibility in conjunction with community interaction, education, and overall citizen integration through community policing concepts.

5. Legal Services (\$30,000)

The CRA receives legal representation from Steve Zelkowitz of the law firm Gray Robinson P.A. The CRA Attorney reviews and /or prepares CRA documents, resolutions, contracts, and represents the CRA in numerous meetings with County staff.

6. Community Center Building - Property Maintenance (\$50,000)

The CRA engages the services of Innovative Properties Management Services of South Florida, Inc. to provide property management services for the Community Service. This allocation includes lawn, janitorial services as well as utility payments to Florida Power & Light and Miami-Dade County for Water and Sewer and waste collection services.

7. Debt Service Payments (\$600,000)

Financing of the Primary Redevelopment Project was possible by two \$5 million dollar Sunshine State loans through Miami-Dade County. The original loans matured in 2016, requiring large payments from the CRA. Miami-Dade County will refinance the remaining \$6.3 million in a 15 year financing making the payments smaller, allowing the CRA to continue providing support to the community. The current year budgeted amount is an estimate of what the payments will be.

8. Redevelopment Grants Residential Programs (\$25,000)

Through a Memorandum of Understanding the CRA has partnered with *Rebuilding Together* to provide free home rehabilitation services to low-income, elderly, veterans and disabled homeowners. In partnership with the Naranja Lakes Community Action Committee, *Rebuilding Together* has identified a home within the CRA boundaries that will benefit from a rehab project. The CRA contribution covers costs associated with project management, purchase and storage of materials, trash disposal, and volunteer support.

Reserves - \$1,256,737

Before the downfall of the housing market, the CRA benefited from higher tax increment revenues, which allowed the CRA the opportunity to set aside reserves, which will continue to be set aside to offset the reduction of TIF revenues if the current trend continues during the next fiscal year.

Naranja Lakes
Community Redevelopment Agency
FY 2012 - 2013 Proposed Budget

Exhibit A

(FY 2012-13 begins October 1, 2012)

Revenues:

UMSA Tax Increment Revenue (TIR)
 County Tax Increment Revenue (TIR)
 Carryover from prior year
 Other- Policy Insurance Reimbursement
 New Bonds Issues (net of Cap Interest)
 Interest earnings
Revenue Total

FY 10-11 Adopted Budget	FY 10-11 Actual	FY 11-12 Adopted Budget	FY 11-12 Actual	FY 12-13 Proposed Budget
281,487	281,487	216,700	216,700	179,972
662,681	662,681	517,599	517,599	441,606
3,365,867	3,365,143	2,883,361	2,529,811	1,567,483
-	90	-	-	-
-	-	-	-	-
18,500	16,541	10,500	4,321	700
4,328,535	4,325,942	3,628,160	3,268,431	2,189,761

Expenditures

Administrative Expenditures:

Employee salary and fringe
 Contractual Services (Economic Dev. Coord.)
 Insurance
 Audits and studies
 Printing and publishing
 Meeting Costs
 Advertising and notices
 Travel (includes Educational Seminars)
 Rent/lease costs
 Office equipment and furniture
 CRA Support Staff Office
 Other Admin. Exps (Direct Cnty Support)
(A) Subtotal Admin Expenses
 County Administrative Charge at 1.5%
 County Reimbursement of Advances
(B) Subtotal Admin Exp & County Charge

40,000	10,017	-	-	-
-	-	-	-	-
1,000	55	500	-	500
-	-	-	-	-
3,000	2,145	2,500	3,207	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
132,000	125,571	95,000	85,511	48,000
176,000	137,788	98,000	88,718	48,500
14,163	14,163	11,014	11,014	9,324
-	-	-	-	-
190,163	151,951	109,014	99,732	57,824

Operating Expenditures:

Memberships and State Fee
 Contractual services (Construction Consultant)
 Insurance
 Economic Development Program (OCED)
 Project Mgt. Supplies & Copying
 Marketing Contingency
 Community Policing and Security
 Legal services/court costs
 Community Center Building
 Infrastructure Improvements
 Building construction & improvements
 Debt service payments
 Redevelopment grants - residential
 Redevelopment grants - commercial/residential
 Community Improv. Program -
 Land Appraisal / Acquisition
(C) Subtotal Oper. Expenses
(D) Reserve
Expenditure Total (B+C+D)

175	175	175	200	200
20,000	8,890	5,000	-	-
13,000	14,234	15,000	14,549	18,000
-	-	-	-	-
750	-	500	-	-
2,000	2,000	2,000	-	2,000
305,000	302,621	302,500	302,438	150,000
58,000	49,742	58,000	20,360	30,000
47,000	50,126	50,000	41,576	50,000
838,692	29,288	250,000	-	-
-	-	-	-	-
1,400,000	1,167,104	1,511,000	1,197,093	600,000
-	20,000	25,000	25,000	25,000
20,000	-	25,000	-	-
-	-	70,000	-	-
-	-	-	-	-
2,704,617	1,644,180	2,314,175	1,601,216	875,200
1,433,755	-	1,204,971	-	1,256,737
4,328,535	1,796,131	3,628,160	1,700,948	2,189,761

Cash Position (Rev-Exp)

-	2,529,811	-	1,567,483	0
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Projects:

Primary Redevelopment Project (Mandarin Lakes)
 Community Policing [Security Studies]
 US1 corridor plan aesthetics
 Community Improv. Program - American Clean Up
 Economic Development Programs
 Redevelopment grant program - residential
 Redevelopment grant program - commercial
 Additional projects - Chapman Elementary
Total project dollars here:

FY 10-11 Proposed Expenditures	FY 10-11 Actual Expenditures	FY 11-12 Adopted Budget	FY 11-12 Projected	FY 11-12 Proposed Expenditures
838,692	-	250,000	-	-
305,000	302,000	302,500	302,438	150,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	25,000	25,000	25,000	25,000
20,000	-	25,000	-	-
2,000	2,000	2,000	-	2,000
1,165,692	329,000	604,500	327,438	177,000